

25 July 1958

MEMORANDUM TO: Chief, I/GM

THROUGH: Chief, I/I
Chief, I/C

FROM: Acting Chief, S/ID

SUBJECT: Possible Assistance by the Economic Defense Community
for the Guided Missiles Collection Effort.

1. Several recent reports prepared by S/ID for use within the Economic Defense community have been concerned with Soviet use of Free World materials in the development and maintenance of the USSR guided missiles program. One of these reports, which was cross-indexed with [redacted] of your office, has been withheld from the pertinent Panel of the Economic Defense Advisory Committee (EDAC) at the request of ID/I, [redacted] and a determination of whether there is any possible operational interest in the report. It concerned the attempted sale of solid fuel rocket propellants to the Soviet Embassy in Bern [redacted] 25X1X7

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[redacted] Another of our reports, concerning the use of U. S. oscilloscopes in Soviet guided missile tracking stations, is currently under investigation by the Bureau of Foreign Commerce (BFC) Investigation Staff. Other information concerning Bloc procurement of devices and raw materials essential to the development of a missile program is handled on a regular basis.

2. Our present "modus operandi" includes analysis of such data to determine Bloc shortages of, and military applications for, the commodities involved. In most instances Western exports of commodity with major application in the guided missile field are in contravention of Free World security trade controls. When a violation of these controls is reported, S/ID clears the pertinent information for further dissemination whenever possible, and provides any additional intelligence data considered useful to the agencies responsible for investigating the violation. Included in our reports, which are usually prepared for the Diversion Control Panel (DCP) of EDAC, is a section entitled "Suggestions for the Collection of Additional Intelligence." This section, as well as the remainder of the report, is usually transmitted verbatim by State Department to appropriate Foreign Service installations. At each Foreign Service post, at least one officer in the Economic Section is assigned the responsibility of acting on, and reporting economic defense information. A request for supplemental intelligence of this nature, therefore, is serviced rather promptly, and may provide valuable information for your operation. (This would appear consistent with requirements in MP 223, especially with Appendix F, 1 of that document) It might be noted that such requests need not always bear a close relationship to the case under discussion, e.g., a request for general information concerning procurement activities

- 2 -

conducted by the Soviet Embassy in Bern might accompany the instruction on the possible propellant diversion referred to above.

3. To provide the greatest possible service to your operation, Economic Defense Officers might be provided with a list of commodities believed to be of priority interest to Soviet guided missile organizations. Such a list might be produced by your Branch in conjunction with OSI, and possibly with the assistance of an S/TD analyst. It would be most useful if the classification were no higher than SECRET. You might also wish to supply us with general requirements which could be incorporated with economic defense requirements to conceal their actual purpose, if such concealment is considered desirable. Requirements based on the aforementioned commodity list, most of which will fall within the collection capabilities of economic defense officers, might include the following:

(a) Identify Bloc end-users (factory, town, country, etc.) and purchasers, Free World contacts and/or agents, commercial intermediaries, shippers, forwarders, financiers, and non-Bloc suppliers whenever Bloc procurement, or attempted procurement, of guided missiles list items is reported.

(b) Where the commodity involved can be identified in terms of chemical composition, ionization or other physio-chemical properties, or in terms of manufacturer, model number, size, capabilities, etc., supply such data in the greatest possible detail.

(c) If available, describe the program in which the materials will be used, their proposed function within the program, Bloc personnel involved in the procurement, dissemination, and end-use of the items, the priority assigned to the acquisition of such items and any other data describing the intended use of guided missiles list commodities. (This requirement is marginal in terms of EDO collection capabilities, but might be acquired under certain circumstances.)

(d) Describe the acquisition process, (i. e., routing, evasion techniques, financing, etc.) from the placing of the order by the Bloc consumer, to the arrival of the item at its ultimate destination.

The above requirements can be expanded and refined; however they do indicate the type of information which might be developed through economic defense sources. While requirements for military attaches have presumably been covered in your field, we would mention that comprehensive requirements are distributed by the various services to their attaches for the collection of economic defense intelligence and, if believed desirable, an effort could be made to incorporate guided missile materiel requirements in this established system.

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- 3 -

4. A more immediate, short-range, approach to this problem would be an exchange of information between our Branches on pertinent cases as they arise. This would include an established procedure for consultation with I/GM on all ETAC disseminations containing items of guided missile significance to assure coverage of your interest, as well as I/GM notification to this Branch where a diversion situation may be developing, or where an unrated item (not covered by the COCOM embargo) appears to be attaining guided missile significance.

5. In the belief that a coordinated I/GM--S/TF effort in this field would be mutually beneficial, we would welcome an early opportunity to discuss the subject informally with the appropriate personnel of your Branch.

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